

# The Utah Health Exchange



*A Utah Solution for Utah Businesses*

Speaker David Clark, Utah House of Representatives

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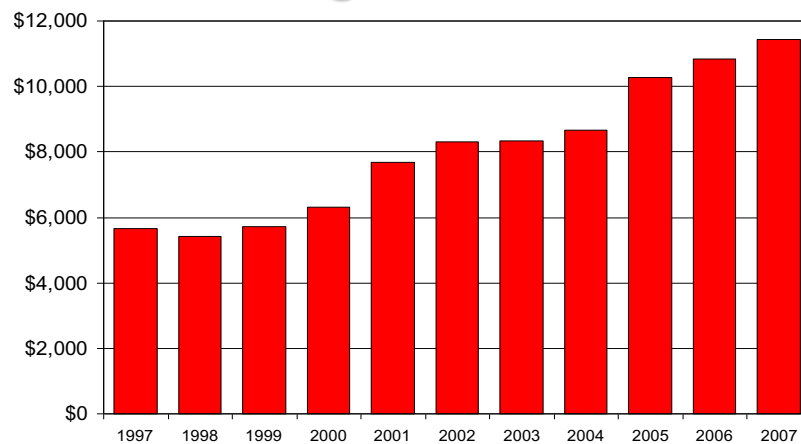
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## Identify Problems

- Escalating Premium Costs
- Consumers Increasingly Detached from the Market
- Employers Dropping Insurance
- Too Many Uninsured
- Misaligned Incentives

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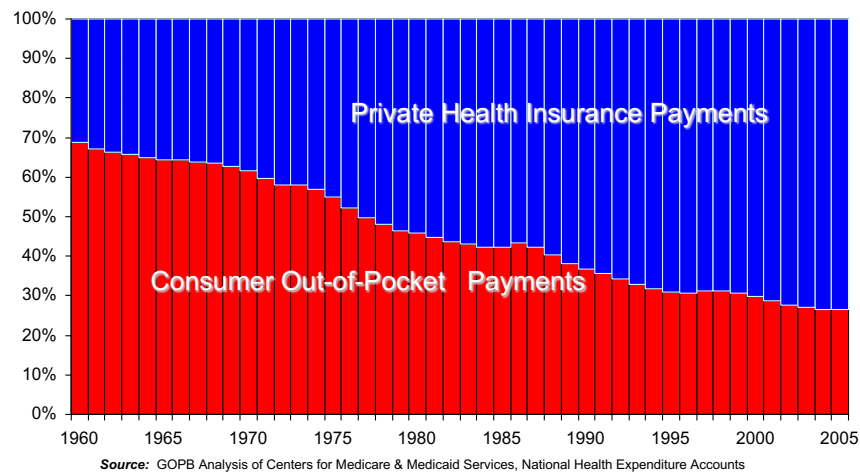
## Identify Problems: Escalating Premium Costs



**Source:** GOPB analysis of data from the Agency for Healthcare Research and Quality Medical Expenditure Survey and Kaiser Family Foundation Annual Employer Benefits Survey

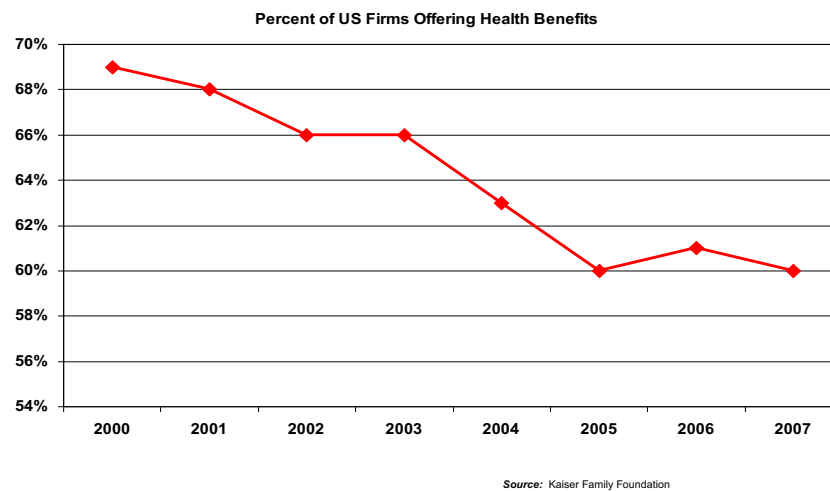
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## Identify Problems: Consumer Detachment



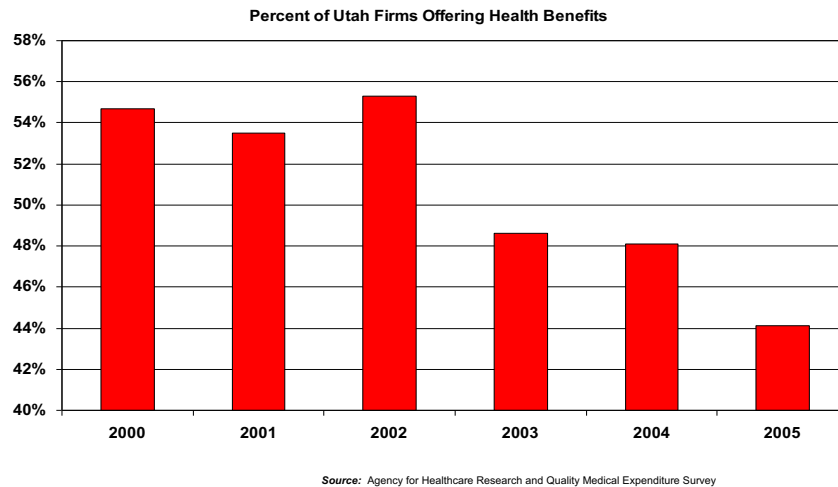
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## Identify Problems: Fewer Firms Offering Coverage



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## Identify Problems: Fewer Firms Offering Coverage



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## Commitment to Systemic Change

### Six Areas of Emphasis

- Health Insurance Reform
- Personal Responsibility
- Transparency and Value
- Maximize Tax Advantages
- Optimize Public Programs
- Modernize Governance

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## Begin With A Vision

**Develop a consumer driven health care and insurance market that provides:**

- Greater Choice
- Expanded Access
- Individual Responsibility
- Increased Affordability
- Higher Quality
- Improved Health

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## Develop a Plan

### **1-3-6-10 Plan**

- During the **1st** year, take specific actions to establish a foundation for future success
- Understand it may take as many as **3** years to fully develop a plan of action
- Focus on **6** critical areas of need
- Further understand it may take as long as **10** years to fully implement reforms

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## Understand the Target Demographic

### Utah's Uninsured Population in 2007

- 10.6% rate of uninsured in the state
  - Roughly 300,000 individuals
- Majority were employed
- Many were part-time workers
  - Workforce has a large percentage of part-time workers
  - Many had multiple part-time jobs
- Most worked for small firms
  - Less than 50% of small firms offering health insurance as a benefit
- Many were young adults
  - Age 18-34

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## Engage the Stakeholders

### YEAR 1—Perspective-Oriented Working Groups

- Community Group
- Business Group
- Hospital Group
- Non-hospital Provider Group
- Insurance Group

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## Engage the Stakeholders

### YEAR 2—Task-Oriented Working Groups

- Affordability and Access Group
  - Administrative Simplification Technical Advisory Group
  - Wellness and Healthy Behaviors Technical Advisory Group
- Transparency and Quality Group
  - Health Care Delivery and Payment Reform Technical Advisory Group
  - Infrastructure Technical Advisory Group
- Oversight and Implementation Group
  - Risk Adjuster and Defined Contribution Expansion to Large Employers Technical Advisory Group
  - Public Employees Health Plan and Other Associated Health Plans Participating in Defined Contribution Market Technical Advisory Group

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## Action to Date

### YEAR 1—2008

- Created Legislative Health System Reform Task Force
- Created Office of Consumer Health Services (OCHS) within the Governor's Office of Economic Development
  - OCHS charged with establishing an "internet portal"
- Funding approved for All Payer Database (APD)
  - APD uses claims data to compare cost of episodes of care across health care providers
- Clinical Health Information Exchange (cHIE)
  - cHIE establishes electronic exchange of clinical health information

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## Action to Date

### YEAR 1—2008 (continued)

- Developed Universal Health Application
- Submitted Medicaid waivers
- Launched outreach programs for Children's Health Insurance Program (CHIP) and Utah Premium Partnership (UPP)

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## Action to Date

### YEAR 2—2009

- Administrative Simplification
- Clinical Health Information Exchange (CHIE) Implementation Initiated
- Established Payment and Delivery System Reform Demonstration Project
- State Contracting Policies
  - Level playing field
- Tort Reform
  - Greater protections for ER physicians
- Insurance Market Reforms
  - Creation of defined contribution market
  - Establishment of the Defined Contribution Risk Adjuster Board
  - Limited launch of the Utah Health Exchange

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## Action to Date

### YEAR 3—2010

- Medical Malpractice Reform
  - Reduced cap on non-economic damages
  - Require affidavit of merit to pursue a claim
  - Protects “I’m sorry” statements by health care providers from being used as evidence
  - Creates demonstration project to reduce litigation
- Transparency
  - Insurer and provider transparency
  - All Payer Database (APD) cost and quality data scheduled to come online
  - Clinical Health Information Exchange (cHIE) implementation expansion

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## Action to Date

### YEAR 3—2010 (continued)

- Further Administrative Simplification
  - Focused on streamlining coordination of benefits process
- Expansion of Payment and Delivery System Reform Demonstration Project
- Additional Insurance Market Reforms
  - Utah Health Exchange Large Group Pilot Program
  - Provision for state-wide risk adjustment mechanism
  - Standardized select underwriting practices between insurance carriers

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## Immediate Impact

**Two provisions will have the most immediate impact**

- Defined Contribution Market
- Utah Health Exchange

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## Defined Contribution

**What are Defined Contribution arrangements?**

- Employer-sponsored health plans that allow individual employees full control over their plan choice.
- Rather than promising or providing a certain level of health benefit, the employer offers a pre-determined level of funding that the employee then controls and uses to purchase their choice of health insurance.

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## Utah Health Exchange

### What is the Utah Health Exchange?

- Internet-based information portal
- Three core functions:
  - Provide consumers with helpful information about their health care and health care financing
  - Provide a mechanism for consumers to compare and choose a health insurance policy that meets their needs
  - Provide a standardized electronic application and enrollment
- Multiple source premium aggregator
  - Combines premium payments from multiple sources (i.e. second employer, spouse's employer, etc.) to be applied toward a single policy

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## Advantages of the Utah Health Exchange

### EMPLOYERS

- Simplified Benefits Management
- Predictable costs
- Expanded Coverage Choices
- Preserve Tax Benefits

### EMPLOYEES

- Individual Control and Choice
- Pay with Pre-tax dollars
- Plan Portability
- Premium Aggregation

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## Leverage Existing Resources

### Technology

- Private-sector vendors
  - Enrollment and Plan Selection—bswift, Inc.
  - Financial/Banking Function—HealthEquity, Inc.

### Marketing and Outreach

- Chambers of Commerce
- Professional and Trade Associations
- Earned Media

### Education and Adoption

- Brokers and Consultants
- Human Resource Managers

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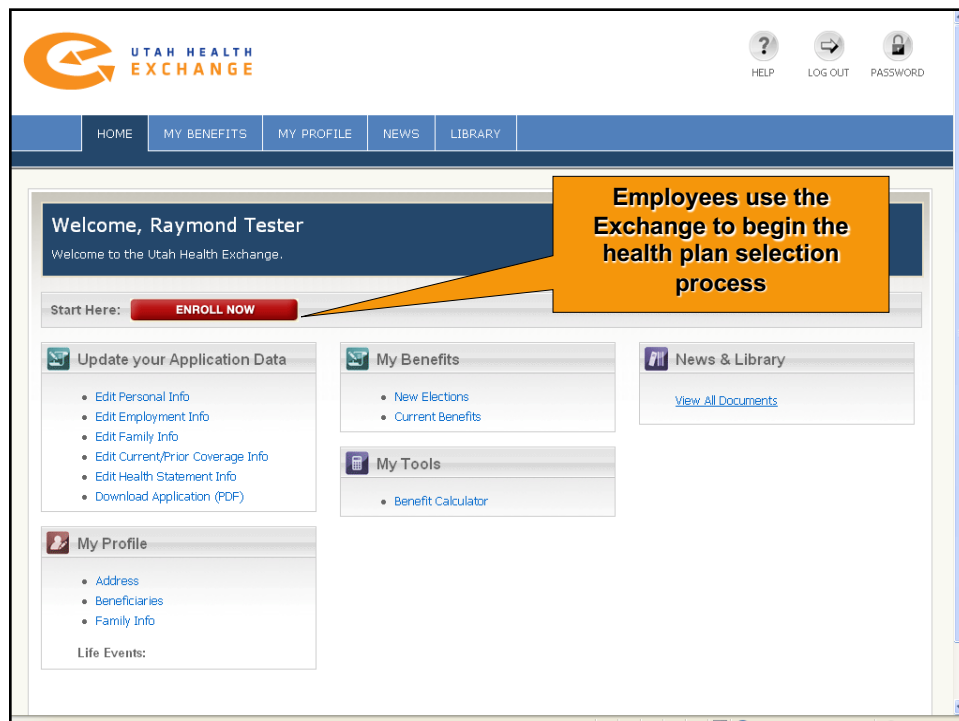
## How does the Exchange work?

- **Step 1** - Employer signs up
- **Step 2** - Employee enters information
- **Step 3** - Premiums are generated
- **Step 4** - Employee comparison shopping and open enrollment period
- **Step 5** - Finalize enrollment
- **Step 6** - Plans go into effect on designated date

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**UTAH HEALTH EXCHANGE**

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Current Benefits **New Elections** Benefit Calculator

**\* Special Enrollment**  
Completion Status:  
**Personal** ☒  
**Family Info**  
**Health** ☐

**Health**

The Utah Health Exchange allows for employee credits from two sources, a secondary employer and your spouse's employer. The secondary employer and your spouse's employer must also participate in the Utah Health Exchange. You need to contact them to get the amount of the credit to enter on this page.

**Secondary Employer Credit**  
I confirm that the amount entered here is the amount that my secondary employer has given me as a health insurance credit for taking insurance through my primary employer also participating in the Utah Health Exchange.

Secondary Employer Name:   
Secondary Employer Company Code:   
Credit from Secondary Employer:  per month

**Spousal Employer Credit**  
I confirm that the amount I entered here is the amount my spouse's employer is giving for my spouse being covered under my employer's health plan also participating in the Utah Health Exchange.

Name of Spouse's Employer:   
Spouse's Employer Company Code:   
Credit from Spouse's Employer:  per month

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Technology powered by [bswift](#)

**Employees may combine contributions from additional employers**

**Employees may also combine contributions from their spouse's employer**

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**UTAH HEALTH EXCHANGE**

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Current Benefits **New Elections** Benefit Calculator

**\* Special Enrollment**  
Completion Status:  
**Personal** ☒  
**Family Info**  
**Health** ☐

**Health**

Please Choose a Health Plan.

**Display Plan Info for the Following:**

☐ Employee  
☒ Employee + Spouse  
☐ Employee + Dependent  
☐ Employee + Family

**The employee then selects the applicable family status**

You may select up to four plans to compare:

[Go To Employee Credit](#) [Compare Selected Plans](#) [Choose Selected Plan](#) [Waive Coverage](#)

Plan Name	Vendor	Per Month Employee Cost	Type	In-network Coinsurance	In-network Deductible	Rx	Mater
<input checked="" type="checkbox"/> <a href="#">Engage (Option 4)</a>	Regence	\$506.45	PPO	80	\$500.00	Yes	Yes
<input type="checkbox"/> <a href="#">80/60Cov+20/40 1000ded3600OOP-10/30/50Rx</a>	Humana	\$544.91	PPO	80	\$1,000.00	Yes	Yes
<input checked="" type="checkbox"/> <a href="#">Innova (Option 7)</a>	Regence	\$545.29	PPO	80	\$1,000.00	Yes	Yes
<input type="checkbox"/> <a href="#">60/50HDHP-1200ded-3600 OOP</a>	Humana	\$459.80	High Deductible	60	\$1,200.00	Yes	Yes
<input checked="" type="checkbox"/> <a href="#">HSA 2.0</a>	Regence	\$368.49	High Deductible	80	\$1,200.00	Yes	Yes

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Current Benefits **New Elections** Benefit Calculator

**\* Special Enrollment**  
Completion Status:  
**Personal** ☒  
**Family Info**

**Health**

**1 Find out how much your medical care really costs**

You'll want to consider *all* your costs when choosing a medical plan – your contribution to insurance (through your payroll deduction) and the "out-of-pocket" costs like co-pays and other expenses not covered by your insurance. [Learn More](#)

We'll help you estimate your future annual medical expenses so that you will see what your potential out-of-pocket costs will be for each of the benefit plans available to you. [Learn More](#)

What do you expect your medical needs to be? [Learn More](#)

Covered	Name	Healthy	Low	Moderate	High	Custom	
<input checked="" type="checkbox"/>	Jimmy	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Edit
<input checked="" type="checkbox"/>	Julie	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Edit
<input checked="" type="checkbox"/>	Johnny	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Edit
<input checked="" type="checkbox"/>	Alice	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Edit

[Add/Edit](#) [Learn More](#)

**2 Choose a medical plan**

Pocket Maximum (combined with in- Pocket Maximum (combined with in-

Internet 100%

The Exchange provides a tool that helps employees choose a plan based on prior out-of-pocket health costs.

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Current Benefits **New Elections** Benefit Calculator

**\* Special Enrollment**  
Completion Status:  
**Personal** ☒  
**Family Info**

**Health**

**1 Find out how much your medical care really costs**

**2 Choose a medical plan that best meets your needs**

Tell us what's most important to you when you're paying for your medical plan, and we'll rank your plan options for you.  
**Note: If your doctor is most important, first check what plans your doctor is in.**  
[Learn More](#)

Show me plans by: [Learn More](#)

- ☐ Lowest premium (payroll deduction)
- ☐ Lowest potential out-of-pocket expenses
- ☐ Lowest total cost of medical expenses

[Back to Step 1](#)

Separate \$5,000 Pharmacy Out of Pocket Maximum (combined with in- Separate \$5,000 Pharmacy Out of Pocket Maximum (combined with in-

Internet 100%

The Exchange provides employees with additional filters to help narrow down plan choices.

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Current Benefits **New Elections** Benefit Calculator

**Special Enrollment**  
Completion Status:  
**Personal** ☒  
**Family Info**

**Health** ☐

**United Health Care CDHP: Family** BEST MATCH TO YOUR NEEDS **HSA Qualified**

**Estimated Total Cost of This Plan \$5,442 Per Year**

**Estimated Payroll Deduction**  
**\$2,236 Per Year**  
**\$86 Per Paycheck**  
Want more info about this plan?  
See your open enrollment materials.

**Estimated Out-of-Pocket Costs**  
Based on using in network providers only  
**\$3,206 Per Year**  
Pay for this with a HSA [Learn more](#)

**\$0 Deductible**  
**\$0 Office visits**  
**\$0 ER visits**  
**\$0 Co-insurance**  
**\$3,206 Prescriptions**  
**\$4,000 Max Out-of-pocket**

[Apply and Continue](#)

**Estimated Total Cost of This Plan \$5,746 Per Year**

Pocket Maximum (combined with in-

Employees are provided with detailed plan cost information, including the total cost of the plan

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Current Benefits **New Elections** Benefit Calculator

**Special Enrollment**  
Completion Status:  
**Personal** ☒  
**Family Info**

**Health** ☐

**Health**  
Please Choose a Health Plan.

☐ [Waive Coverage >>](#) ☐ [Choose This Plan >>](#) ☐ [Choose This Plan >>](#) ☐ [Choose This Plan >>](#)

Regence Engage (Option 4) Regence HSA 2.0 Regence Innova (Option 7)

[Expand All](#)

**COSTS (MONTHLY EMPLOYEE COST)**

Employee	\$230.67	\$167.83	\$248.36
Employee + Spouse	\$506.45	\$368.49	\$545.29
Employee + Child(ren)	\$485.93	\$353.55	\$523.19
Employee + Family	\$715.07	\$520.28	\$769.91

**PLAN INFORMATION**

Coverage Type	Engage	HSA 2.0	Innova
Hours of Operation	M-F 8am - 5pm	M-F 8am - 5pm	M-F 8am - 5pm
Customer Service	(800)624-6519	(800) 624-6519	(800)624-6519

**DEDUCTIBLES/MAXIMUMS**

**CO-INSURANCE**

Individual Out-of-Pocket Maximum	In-Network: \$2,000 Coinsurance Maximum Separate \$5,000 Pharmacy Out of Pocket Maximum Out-of-Network: \$2,000 Coinsurance Maximum Separate \$5,000 Pharmacy Out of Pocket Maximum (combined with in-	In-Network: \$3,600 Out-of-Network: \$3,600 (combined with in-network)	In-Network: \$2,000 Coinsurance Maximum Separate \$5,000 Pharmacy Out of Pocket Maximum Out-of-Network: \$2,000 Coinsurance Maximum Separate \$5,000 Pharmacy Out of Pocket Maximum (combined with in-
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The Exchange provides employees with detailed plan benefit design and information.

Employees can view a benefit summary or see a very detailed benefit description

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**UTAH HEALTH EXCHANGE**

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Current Benefits **New Elections** Benefit Calculator

**Special Enrollment**

Completion Status:

**Personal** ☒

**Family Info**

**Health** ☐

**Health**

Please verify all information before enrolling.

**Plan Selection** [<<View/Change Plan/Waive](#)

Selected Plan: Engage (Option 4)

**Coverage** [<<Cover/Waive Family Members](#)

**Tier: Employee + Spouse**

Raymond Tester: Covered

Sally Tester: Covered

**Costs**

Employee Cost: \$506.45 per month

Employer Cost: \$0.00 per month

**Participation**

I understand that the choices I've made are in effect for one full benefit plan year and cannot be changed until the next enrollment period, unless I have a qualified family status change. I authorize payroll deductions, if required, for my contribution in the cost of the coverage I have selected.

[<<Cancel](#) ☒ I agree

Please verify all information above before enrolling. [Enroll Now >>](#)

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## Similarities: Massachusetts and Utah

### Massachusetts

- State-based solution designed to be responsive to state-specific issues, customs, business practices, etc.
- Consumer-centered approach
- Achieved broad, bipartisan consensus supporting the basic reform elements

### Utah

- State-based solution designed to be responsive to state-specific issues, customs, business practices, etc.
- Consumer-centered approach
- Achieved broad, bipartisan consensus supporting the basic reform elements

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## Differences: Massachusetts and Utah

### Massachusetts

- Individual mandate
- Employer mandate
- Government role is contracting agent
- Established Massachusetts Connector Authority with broad regulatory responsibilities
- Acted first on public sector reforms; now rolling out private insurance market reforms

### Utah

- No individual mandate
- No employer mandate
- Government role is market facilitator
- Regulatory authority strictly limited to establishment of electronic data standards
- Began by implementing private market reforms first; public sector reforms to follow

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## Differences: Massachusetts and Utah

### Massachusetts

- No risk adjustment mechanism included
- Upfront appropriation of \$25 million; ongoing funding through retention of a portion of premium
- Staff of approximately 45 employees

### Utah

- Risk adjustment mechanism established to deal with adverse selection issues
- Upfront appropriation of \$600,000; ongoing funding through annual appropriation and technology fees
- Staff of 2 employees

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## The Utah Health Exchange in the Press

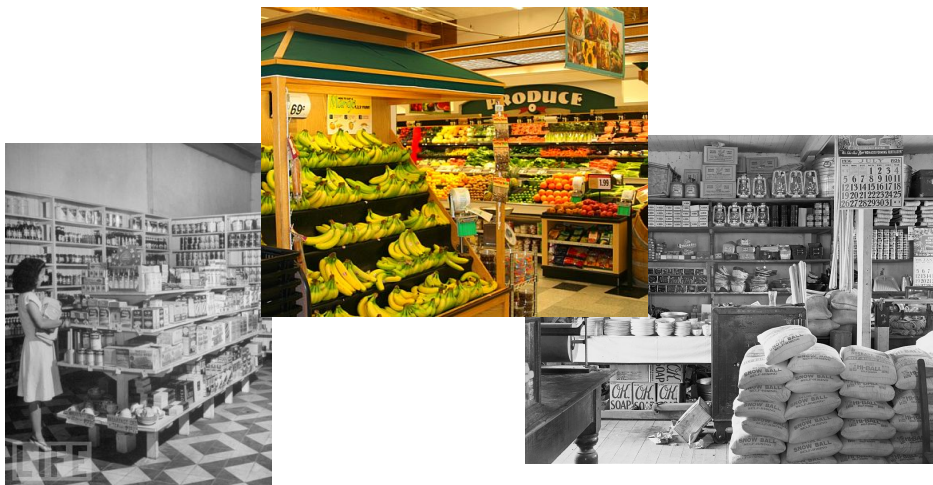
"Compared to what's being trotted around the Asylum on the Hill, *Utah's bipartisan reform project sounds downright dreamy. Simple and geared toward the consumer*, it was designed under the operating principle that Americans are capable of making their own decisions..." (Kathleen Parker, "Health Reform, Utah's Way," in *The Washington Post*, July 26, 2009)

"As Washington attempts to pass national health reform this fall, *Utah's experiment may become a model* for lawmakers looking to create market-based reforms. *It will clearly benefit small businesses* that now face unpredictable rate changes." (John Tozzi, "What Utah's Health Reform Means to Small Business," at *BusinessWeek.com*, Sept. 4, 2009.)

"The State of Utah recently launched a new program that... demonstrates why *state-level policy innovation--not top-down, federal planning--is the key to improving America's health sector*." (Grace-Marie Turner, "Innovation, Not Intervention" at *Forbes.com*, Sept. 18, 2009)

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## Utah's Approach to Health System Reform



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For more information:

Utah Health Exchange

[<exchange.utah.gov>](http://exchange.utah.gov)

Utah's All Payer Database (APD)

[<http://health.utah.gov/opha/publications/hsu/09Jul\\_APD.pdf>](http://health.utah.gov/opha/publications/hsu/09Jul_APD.pdf)

Utah's Clinical Health Information Exchange (cHIE)

[<http://health.utah.gov/phi/ehealth/cHIE\\_LegReport2009\\_Final.pdf>](http://health.utah.gov/phi/ehealth/cHIE_LegReport2009_Final.pdf)